

LEGISLATURE OF NEBRASKA  
NINETY-EIGHTH LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 197**  
FINAL READING

Introduced by Business and Labor Committee:  
Vrtiska, 1, Chairperson; Burling, 33; Combs, 32;  
Hartnett, 45; Kremer, 34; Preister, 5

Read first time January 10, 2003

Committee: Business and Labor

A BILL

1 FOR AN ACT relating to employment security law; to amend section  
2 48-621, Revised Statutes Supplement, 2002; to authorize  
3 certain disposition of federal funds as prescribed; to  
4 repeal the original section; and to declare an emergency.  
5 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 48-621, Revised Statutes Supplement,  
2   2002, is amended to read:

3           48-621. (1) The administrative fund shall consist of the  
4   Employment Security Administration Fund and the Employment Security  
5   Special Contingent Fund. Each fund shall be maintained as a  
6   separate and distinct account in all respects, as follows:

7           (a) There is hereby created in the state treasury a  
8   special fund to be known as the Employment Security Administration  
9   Fund. All money credited to this fund is hereby appropriated and  
10   made available to the Commissioner of Labor. All money in this  
11   fund shall be expended solely for the purposes and in the amounts  
12   found necessary as defined by the specific federal programs, state  
13   statutes, and contract obligations for the proper and efficient  
14   administration of all programs of the Department of Labor. The  
15   fund shall consist of all money appropriated by this state and all  
16   money received from the United States of America or any agency  
17   thereof, including the Department of Labor and the Railroad  
18   Retirement Board, or from any other source for such purpose. Money  
19   received from any agency of the United States or any other state as  
20   compensation for services or facilities supplied to such agency,  
21   any amounts received pursuant to any surety bond or insurance  
22   policy for losses sustained by the Employment Security  
23   Administration Fund or by reason of damage to equipment or supplies  
24   purchased from money in such fund, and any proceeds realized from  
25   the sale or disposition of any equipment or supplies which may no  
26   longer be necessary for the proper administration of such ~~law~~  
27   programs shall also be credited to this fund. All money in this  
28   fund shall be deposited, administered, and disbursed in the same

1 manner and under the same conditions and requirements as is  
2 provided by law for other special funds in the state treasury. Any  
3 balances in this fund, except balances of money therein  
4 appropriated from the General Fund of this state, shall not lapse  
5 at any time but shall be continuously available to the commissioner  
6 for expenditure consistent with the Employment Security Law. Any  
7 money in the Employment Security Administration Fund available for  
8 investment shall be invested by the state investment officer  
9 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
10 State Funds Investment Act; and

11 (b) There is hereby created in the state treasury a  
12 special fund to be known as the Employment Security Special  
13 Contingent Fund. Any money in the Employment Security Special  
14 Contingent Fund available for investment shall be invested by the  
15 state investment officer pursuant to the Nebraska Capital Expansion  
16 Act and the Nebraska State Funds Investment Act. All money  
17 collected under section 48-655 as interest on delinquent  
18 contributions, less refunds, shall be credited to this fund from  
19 the clearing account of the Unemployment Compensation Fund at the  
20 end of each calendar quarter. Such money shall not be expended or  
21 available for expenditure in any manner which would permit its  
22 substitution for or a corresponding reduction in federal funds  
23 which would in the absence of such money be available to finance  
24 expenditures for the administration of the unemployment insurance  
25 law, but nothing in this section shall prevent the money from being  
26 used as a revolving fund to cover expenditures necessary and proper  
27 under the law for which federal funds have been duly requested but  
28 not yet received, subject to the charging of such expenditures

1 against such federal funds when received. The money in this fund  
2 may be used by the Commissioner of Labor only as follows:

3 (i) To replace within a reasonable time any money  
4 received by this state pursuant to section 302 of the federal  
5 Social Security Act, as amended, and required to be paid under  
6 section 48-622;

7 (ii) To meet special extraordinary and contingent  
8 expenses which are deemed essential for good administration but  
9 which are not provided in grants from the Secretary of Labor of the  
10 United States and, for this purpose, no expenditures shall be made  
11 from this fund except on written authorization by the Governor at  
12 the request of the Commissioner of Labor;

13 (iii) To be transferred to the Nebraska Community College  
14 Aid Cash Fund; and

15 (iv) To be transferred to the Job Training Cash Fund.

16 (2) (a) Money credited to the account of this state in the  
17 Unemployment Trust Fund by the United States Secretary of the  
18 Treasury pursuant to section 903 of the Social Security Act may not  
19 be requisitioned from this state's account or used except for the  
20 payment of benefits and for the payment of expenses incurred for  
21 the administration of the Employment Security Law and public  
22 employment offices. Such money may be requisitioned pursuant to  
23 section 48-619 for the payment of benefits. Such money may also be  
24 requisitioned and used for the payment of expenses incurred for the  
25 administration of the Employment Security Law and public employment  
26 offices but only pursuant to a specific appropriation by the  
27 Legislature and only if the expenses are incurred and the money is  
28 requisitioned after the date of enactment of an appropriation law

1 which specifies the purposes for which such money is appropriated  
2 and the amounts appropriated therefor. Such appropriation is  
3 subject to the following conditions:

4 (i) The period within which such money may be obligated  
5 is limited to a period ending not more than two years after the  
6 effective date of the appropriation law; and

7 (ii) The amount which may be obligated is limited to an  
8 amount which does not exceed the amount by which the aggregate of  
9 the amounts transferred to the account of this state pursuant to  
10 section 903 of the Social Security Act exceeds the aggregate of the  
11 amounts used by this state pursuant to the Employment Security Law  
12 and charged against the amounts transferred to the account of this  
13 state.

14 (b) For purposes of subdivision (2)(a)(ii) of this  
15 section, the amounts obligated under an appropriation for the  
16 administrative purposes described in such subdivision shall be  
17 charged against transferred amounts at the exact time the  
18 obligation is entered into.

19 (c) The appropriation, obligation, and expenditure or  
20 other disposition of money appropriated under this subsection shall  
21 be accounted for in accordance with standards established by the  
22 United States Secretary of Labor.

23 (d) Money appropriated as provided in this subsection for  
24 the payment of expenses of administration shall be requisitioned as  
25 needed for the payment of obligations incurred under such  
26 appropriation and, upon requisition, shall be credited to the  
27 Employment Security Administration Fund from which such payments  
28 shall be made. Money so credited shall, until expended, remain a

1 part of the Employment Security Administration Fund and, if it will  
2 not be immediately expended, shall be returned promptly to the  
3 account of this state in the Unemployment Trust Fund.

4 (e) Notwithstanding subdivision (2)(a) of this section,  
5 money credited with respect to federal fiscal years 1999, 2000, and  
6 2001 shall be used solely for the administration of the  
7 unemployment compensation program and are not subject to  
8 appropriation by the Legislature.

9 (3) There is hereby appropriated out of the funds made  
10 available to this state in federal fiscal year 2002 under section  
11 903(d) of the federal Social Security Act, as amended, the sum of  
12 \$6,800,484, or so much thereof as may be necessary, to be used,  
13 under the direction of the Department of Labor, for the  
14 administration of the Employment Security Law and public employment  
15 offices. The expenditure or other disposition of money  
16 appropriated under this subsection shall be accounted for in  
17 accordance with standards established by the United States  
18 Secretary of Labor. Reed Act distributions appropriated pursuant  
19 to this subsection may be amortized with federal grant funds  
20 provided pursuant to Title III of the federal Social Security Act  
21 and the federal Wagner-Peyser Act for the purpose of administering  
22 the state unemployment compensation and employment service programs  
23 to the extent allowed under such acts and the regulations adopted  
24 pursuant thereto. Except as specifically provided in this  
25 subsection, all provisions of subsection (2) of this section,  
26 except subdivision (2)(a)(i) of this section, shall apply to this  
27 appropriation. The commissioner shall submit an annual report to  
28 the Governor, the Speaker of the Legislature, and the chairpersons

1 of the Appropriations Committee and the Business and Labor  
2 Committee of the Legislature describing expenditures made pursuant  
3 to this subsection.

4           Sec. 2.     Original section 48-621, Revised Statutes  
5 Supplement, 2002, is repealed.

6           Sec. 3.     Since an emergency exists, this act takes effect  
7 when passed and approved according to law.